

## STATEMENT OF PURPOSE

### RS18540

The purpose of this legislation is to refine and clarify legislation passed in 2007 that established a new method of financing public transportation infrastructure projects utilizing the Sales Tax Anticipation Revenue (STAR) concept. Private funds can be used to pay for all phases of qualified and approved projects to interstate and other state highways, from development to right-of-way acquisition, to construction.

The developer of a retail commercial complex whose stores sell tangible personal property or taxable services, may qualify for a rebate of taxes paid on purchases at the site to reimburse the developer for project expenses incurred for the installation of approved transportation improvements.

An account is established to receive funds from a portion of sales taxes collected on the site as a result of new businesses and economic development attracted to the location. The Tax Commission will have oversight responsibilities for all monies collected and disbursed to repay the costs incurred by the private sector to construct the facilities, after approval by the Idaho Transportation Department.

No general fund or Idaho Transportation Department budget funds would be used to construct the transportation improvements. Appropriate checks and balances are specified to ensure the integrity of the transfer of funds.

Project management would be coordinated through local, state, and federal units of government. Acquisition of additional rights-of-way will require the transfer of ownership to the Department if purchased by the developer.

### FISCAL NOTE

The estimated new sales tax revenue from the legislation varies from project to project.

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